

UNITED STATES BANKRUPTCY COURT

Eastern District of California

Honorable Ronald H. Sargis

Chief Bankruptcy Judge

Modesto, California

October 19, 2017, at 2:00 p.m.

1. [17-90346-E-7](#) **ENRIQUEZ/LISA SANCHEZ** **STATUS CONFERENCE RE:**
[17-9008](#) **COMPLAINT**
FARRAR V. INLAND PROPERTY **8-4-17 [1]**
GROUP LLC ET AL

Final Ruling: No appearance at the October 19, 2017 Status Conference is required.

Plaintiff's Atty: Aaron A. Avery

Defendant's Atty:

Len ReidReynoso [Inland Property Group, LLC]

unknown [Annisa Abdullah]

Adv. Filed: 8/4/17

Answer: 9/7/17 [Inland Property Group, LLC]

Nature of Action:

Recovery of money/property - fraudulent transfer

Recovery of money/property - other

Injunctive relief - other

The Status Conference is continued to 2:00 p.m. on November 30, 2017.
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Notes:

Stipulation to Extend Deadline to File Response to Complaint [re defendant Annissa Abdullah filed 8/29/17 [Dckt 11]

Stipulation to Extend Deadlines [re defendant Anissa Abdullah] filed 9/18/17 [Dckt 14]; Order granting filed 9/20/17 [Dckt 15]

OCTOBER 19, 2017 STATUS CONFERENCE

The Plaintiff-Trustee filed his Status Report on October 16, 2017. Dckt. 16. Plaintiff-Trustee reports that this matter has been settled. The parties anticipate having the stipulation filed shortly and motion for entry of judgment filed.

October 19, 2017, at 2:00 p.m.

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The court continues the Status Conference to allow the parties to continue in their efforts of documenting and implementing the settlement.

2. [17-90346](#)-E-7 ENRIQUEZ/LISA SANCHEZ STATUS CONFERENCE RE:
[17-9009](#) COMPLAINT
FARRAR V. INLAND PROPERTY 8-10-17 [[1](#)]
GROUP LLC

Plaintiff's Atty: Aaron A. Avery
Defendant's Atty: Thomas P. Hogan

Adv. Filed: 8/10/17
Answer: 9/8/17

Nature of Action:
Recovery of money/property - other
Injunctive relief - other
Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

The Status Conference is XXXXXXXXXXXXXXXXXXXX.
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Notes:

SUMMARY OF COMPLAINT

Gary Farrar ("Plaintiff-Trustee") seeks to avoid a transfer as a fraudulent conveyance and recover the avoided transfer. It is alleged in the Complaint, Dckt. 1, that Debtor transferred the 5421 Port Alice Way property (the "Property") to Defendant on or about May 12, 2014. It is alleged that the consideration paid for the transfer was \$0.00. It is alleged that Debtor was involved in "flipping" residential properties with Defendant. Further, it is alleged that Debtor has and continues to reside in the Property. Finally, it is alleged that Debtor Enrique Sanchez is the agent for service of Defendant and that the address for Defendant with the California Secretary of State is the Property.

Plaintiff-Trustee seeks to avoid the transfer of the Property to Defendant pursuant to the California Avoidance of Transfer laws (intent, inadequate assets, inability to pay debts, and lack of consideration alternative grounds), as provided in 11 U.S.C. § 544.

In the alternative, Plaintiff-Trustee requests a monetary judgment for the value of the property as provided in 11 U.S.C. § 550.

Finally, Plaintiff-Trustee seeks injunctive relief to prevent Defendant from interfering with Plaintiff-Trustee's interest in the Property and to not transfer the Property to any other person.

SUMMARY OF ANSWER

Inland Property Group, LLC (“Defendant”) has filed an Answer admitting and denying specific allegations in the Complaint. Dckt. 12. The Answer asserts five Affirmative Defenses. Those Affirmative Defenses include the assertion that Debtor, as the primary shareholder of Defendant, continued to receive value from the Property, including using the Property as his residence, deducting the mortgage interest payments.

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff-Trustee alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334, 544, and 550, and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (H), and (O). Complaint ¶¶ 4, 6; Dckt. 1. In its Answer, Inland Property Group, LLC, Defendant, admits the allegations of jurisdiction and core proceedings. Answer ¶ 1, Dckt. 12. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued in this Adversary Proceeding are “related to” matters, the parties consented on the record to this bankruptcy court entering the final orders and judgment in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.**

JOINT DISCOVERY PLAN

Counsel for the respective Parties have met and provided the court with a Joint Discovery Plan. Dckt. 16.

ISSUANCE OF PRE-TRIAL SCHEDULING ORDER

The court shall issue a Pre-Trial Scheduling Order setting the following dates and deadlines:

- a. Plaintiff-Trustee alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334, 544, and 550., and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (H), and (O). Complaint ¶¶ 4, 6; Dckt. 1. In its Answer, Inland Property Group, LLC, Defendant, admits the allegations of jurisdiction and core proceedings. Answer ¶ 1, Dckt. 12. **To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued in this Adversary Proceeding are “related to” matters, the parties consented on the record to this bankruptcy court entering the final orders and judgment in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.**
- b. Initial Disclosures shall be made on or before **November 1, 2017**.
- c. Expert Witnesses shall be disclosed on or before -----, **201X**, and Expert Witness Reports, if any, shall be exchanged on or before -----, **201X**.
- d. Discovery closes, including the hearing of all discovery motions, on **April 19, 2018**.

e. Dispositive Motions shall be heard before **August 3, 2018**.

f. The Pre-Trial Conference in this Adversary Proceeding shall be conducted at **2:00 p.m. on September 6, 2018**.

3. **17-90346-E-7** **ENRIQUEZ/LISA SANCHEZ** **STATUS CONFERENCE RE:**
17-9010 **FARRAR V. INLAND PROPERTY** **COMPLAINT**
GROUP LLC **8-10-17 [1]**

Final Ruling: No appearance at the October 19, 2017 Status Conference is required.

Plaintiff's Atty: Aaron A. Avery
Defendant's Atty: Len ReidReynoso

Adv. Filed: 8/10/17
Answer: 9/7/17

Nature of Action:
Recovery of money/property - other
Injunctive relief - other
Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)

The Status Conference is continued to 2:00 p.m. on November 30, 2017.

Notes:

OCTOBER 19, 2017 STATUS CONFERENCE

The Plaintiff-Trustee filed his Status Report on October 16, 2017. Dckt. 13. Plaintiff-Trustee reports that this matter has been settled. The parties anticipate having the stipulation filed shortly and motion for entry of judgment filed.

The court continues the Status Conference to allow the parties to continue in their efforts of documenting and implementing the settlement.

4. [17-90346-E-7](#) ENRIQUEZ/LISA SANCHEZ
[17-9011](#)
SANCHEZ V. SANCHEZ ET AL

STATUS CONFERENCE RE:
COMPLAINT
8-21-17 [[1](#)]

Plaintiff's Atty: Mahanvir S. Sahota

Defendant's Atty: Len ReidReynoso

Adv. Filed: 8/21/17

Answer: 9/18/17

Nature of Action:

Dischargeability - false pretenses, false representation, actual fraud

Dischargeability - fraud as fiduciary, embezzlement, larceny

Dischargeability - willful and malicious injury

The Status Conference is XXXXXXXXXXXXXXXXXXXX.

Notes:

Proposed Joint Discovery Plan filed 10/11/17 [Dckt 9]

SUMMARY OF COMPLAINT

Maria Sanchez ("Plaintiff") has filed a Complaint seeking a determination of nondischargeability of the debt owed to her by Defendant-Debtors. Dckt. 1. The Complaint alleges that Defendant-Debtors' conduct constitutes nondischargeable fraud pursuant to 11 U.S.C. § 523(a)(2). There is pending a state court action for fraud and to quiet title to the property to which the contentions of fraud relate.

It is also asserted that Defendant-Debtors' conduct also renders the obligation nondischargeable pursuant to 11 U.S.C. § 523(a)(4) [fraud or defalcation in a fiduciary capacity, embezzlement, or larceny]. It is further alleged that the conduct renders the obligation nondischargeable pursuant to 11 U.S.C. § 523(a)(6) [willful and malicious injury].

SUMMARY OF ANSWER

Enriquez and Lisa Mona Sanchez ("Defendant-Debtors") have filed an Answer admitting and denying specific allegations in the Complaint. Dckt. 7.

REQUIRED PLEADING OF CORE AND NON-CORE MATTERS, CONSENT OR NON-CONSENT TO NON-CORE MATTER

The basic pleading requirements of Federal Rule of Civil Procedure 8 for a complaint, including that the complaint "[m]ust contain: (1) a short and plain statement of the grounds for the court's jurisdiction...", apply to complaints in Adversary Proceedings. In addition to incorporating Rule 8, Federal Rule of Bankruptcy Procedure 7008 adds the additional pleading requirement concerning whether the matters in the complaint are core or non-core:

Rule 8 F. R. Civ. P. applies in adversary proceedings. The allegation of jurisdiction required by Rule 8(a) shall also contain a reference to the name, number, and chapter of the case under the Code to which the adversary proceeding relates and to the district and division where the case under the Code is pending. In an adversary proceeding before a bankruptcy court, **the complaint, counterclaim, cross-claim, or third-party complaint shall contain a statement that the proceeding is core or non-core and, if non-core, that the pleader does or does not consent to entry of final orders or judgment by the bankruptcy court.**

FED. R. BANKR. P. 7008 (emphasis added).

For a responsive pleading, Federal Rule of Bankruptcy Procedure 12(b) applies in adversary proceedings. FED. R. BANKR. P. 7012(b). The Bankruptcy Rules add a further responsive pleading requirement concerning whether the matters are core or non-core, as well as the consent or non-consent for non-core matters by the responding party:

“(b) Applicability of Rule 12(b)-(I) F.R.Civ.P. Rule 12(b)-(I) F.R.Civ.P. applies in adversary proceedings. A responsive pleading **shall include a statement that the party does or does not consent** to entry of final orders or judgment by the bankruptcy court.”

FED. R. BANK. P. 7012(b) (emphasis added).

FINAL BANKRUPTCY COURT JUDGMENT

Plaintiff alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334, 523 and 727 (no claim for relief under 11 U.S.C. § 727 is pled in the Complaint). Complaint ¶ 5, Dckt. 1. Plaintiff does not allege, as required in Federal Rule of Bankruptcy Procedure 7008 whether this is a core proceeding. The court notes that the claims for relief arising pursuant to 11 U.S.C. § 523(a)(2)(A), (a)(4), and (a)(5) are claims arising under the Bankruptcy Code and are statutorily and Constitutionally core proceedings. 28 U.S.C. § 157(b)(I).

In its Answer, Enriquez and Lisa Mona Sanchez, Defendant-Debtors admit the allegations of jurisdiction. Answer ¶ 5, Dckt. 7. Defendant-Debtors do not affirmatively plead whether this is a core proceeding, and if not, whether they consent to the bankruptcy judge issuing the final orders and judgment herein.

At the hearing, the Parties confirmed that the Complaint seeking relief pursuant to 11 U.S.C. § 523(a)(2)(A), (a)(4), and (a)(6) asserts claims for which these are core matters.

To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued in this Adversary Proceeding are “related to” matters, the parties consented on the record to this bankruptcy court entering the final orders and judgment in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.

JOINT DISCOVERY PLAN

The Parties filed their Joint Discovery Plan on October 11, 2017. Dckt. 9. In the Joint Discovery Plan, the Parties request that the court stay these proceedings for four months in light of the actions being taken by the Chapter 7 Trustee in Defendant-Debtors' case to recover property for the bankruptcy estate. The Parties believe that such recoveries may be sufficient to produce an adequate dividend for Plaintiff on her claim in the bankruptcy case, rendering this Adversary Proceeding unnecessary.

ISSUANCE OF ORDER CONTINUING INITIAL STATUS CONFERENCE AND STAYING THIS ADVERSARY PROCEEDING

The court shall issue an Order staying this Adversary Proceeding and Continuing the Initial Status Conference to 2:00 p.m. on March 8, 2018.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Initial Status Conference having been conducted by the court, the Parties requesting that this Adversary Proceeding be stayed for four months to allow for the administration of the bankruptcy case for Defendant-Debtors by the Chapter 7 Trustee, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Initial Status Conference is continued to 2:00 p.m. on March 8, 2018.

This Adversary Proceeding, for the claims stated in the Complaint presents the court with core matters, for which the bankruptcy judge shall issue all final orders and judgment herein. Plaintiff alleges in the Complaint that jurisdiction for this Adversary Proceeding exists pursuant to 28 U.S.C. §§ 1334, 523, and 727 (no claim for relief under 11 U.S.C. § 727 is pled in the Complaint). Complaint ¶ 5, Dckt. 1. Plaintiff does not allege, as required in Federal Rule of Bankruptcy Procedure 7008 whether this is a core proceeding. The court notes that the claims for relief arising pursuant to 11 U.S.C. § 523(a)(2)(A), (a)(4), and (a)(5) are claims arising under the Bankruptcy Code and are statutorily and Constitutionally core proceedings. 28 U.S.C. § 157(b)(1).

In its Answer, Enriquez and Lisa Mona Sanchez, Defendant-Debtors admit the allegations of jurisdiction. Answer ¶ 5, Dckt. 7. Defendant-Debtors do not affirmatively plead whether this is a core proceeding, and if not, whether they consent to the bankruptcy judge issuing the final orders and judgment herein.

At the October 19, 2017 Initial Status Conference, the Parties confirmed that the Complaint seeking relief pursuant to 11 U.S.C. § 523(a)(2)(A), (a)(4), and (a)(6) asserts claims for which these are core matters.

To the extent that any issues in the existing Complaint as of the Status Conference at which the Pre-Trial Conference Order was issued in this Adversary Proceeding are “related to” matters, the parties consented on the record to this bankruptcy court entering the final orders and judgment in this Adversary Proceeding as provided in 28 U.S.C. § 157(c)(2) for all issues and claims in this Adversary Proceeding referred to the bankruptcy court.

- a. All matters in this Adversary Proceeding are stayed through February 20, 2018, except as otherwise provided by subsequent order of the court.
- b. The Continued Initial Status is continued to 2:00 p.m. on March 8, 2018.

**APPEARANCE OF SAWTANTRA K. CHOPRA, PLAINTIFF,
REQUIRED AT THE OCTOBER 19, 2017 HEARING**

NO TELEPHONIC APPEARANCE PERMITTED

No Tentative Ruling: Oral argument may be presented by the parties at the scheduled hearing, where the parties shall address the issues identified in this tentative ruling and such other issues as are necessary and appropriate to the court's resolution of the matter.

Below is the court's tentative ruling, rendered on the assumption that there will be no opposition to the motion. If there is opposition presented, the court will consider the opposition and whether further hearing is proper pursuant to Local Bankruptcy Rule 9014-1(f)(2)(C).

Local Rule 9014-1(f)(3) Motion—Hearing Required.

Sufficient Notice Provided. The Proof of Service states that the Motion and supporting pleadings were served on Plaintiff, Defendant, Defendant's Attorney, Chapter 7 Trustee, and Office of the United States Trustee on September 29, 2017. By the court's calculation, 20 days' notice was provided.

The Order to Show Cause was properly set for hearing on the notice required by Local Bankruptcy Rule 9014-1(f)(3). Debtor, creditors, the Chapter 13 Trustee, the U.S. Trustee, and any other parties in interest were not required to file a written response or opposition to the motion. If any of these potential respondents appear at the hearing and offer opposition to the motion, the court will set a briefing schedule and a final hearing, unless there is no need to develop the record further. If no opposition is offered at the hearing, the court will take up the merits of the motion. At the hearing -----.

The Order to Show Cause is XXXXX.

On September 27, 2017, the court entered an Order for Expedited Status Conference and Order to Show Cause Why Adversary Proceeding Should Not Be Dismissed Without Prejudice. Dckt. 12. The court set the Expedited Status Conference for hearing at 2:00 p.m. on October 19, 2017, and ordered Sawtantra K. Chopra ("Plaintiff") to appear personally at the status conference. The court ordered Plaintiff's appearance to discuss why Adversary Proceeding 17-9013 should not be dismissed without prejudice for failure to comply with a prior court order and for failure to prosecute the adversary proceeding.

REVIEW OF COMPLAINT AND PRIOR COURT ORDER

On August 28, 2017, Plaintiff filed a letter dated August 21, 2017, in which allegations were made against Daljeet Singh Mann (“Defendant”). Dckt. 1. The letter states:

I wish to file a claim and complaint against Mr. Daljeet Singh Mann (Debtor) in this case. Mr. Mann gave me two checks for \$25,000 dollars each (total amount Fifty Thousand dollars.) They closed the bank account after writing me those two checks. (See attached copies of checks) He defrauded me and needs to pay triple damages. He along with his partner, Mr. Jagtar Otal (Social Sec. No.: [redacted]) have given me a Promissory note of \$250,000 (Two Hundred Thousand dollars) in 2016. They have not performed on that Promissory note. They have defrauded me on several cases. I wish to make a claim and file complaint. Please send me necessary paperwork.

Id. The court reviewed the filed letter and determined that was in the nature of a complaint to determine the dischargeability of debt, to object to a discharge, and/or to obtain an injunction or other equitable relief. Dckt. 5. The court ordered Plaintiff withing fifteen days to pay the \$350.00 filing fee for an adversary proceeding and also ordered Plaintiff to file a complete Adversary Proceeding Cover Sheet (Form 1040) and an amended pleading that complies with the caption and form requirements set forth in Federal Rule of Bankruptcy Procedure 9004(b) and Local Bankruptcy Rule 9004-1. *Id.* The court warned Plaintiff that failure to comply might “result in the dismissal of the adversary proceeding and termination of your rights against the debtor.” *Id.*

Though Plaintiff paid the filing fee for this Adversary Proceeding and filed a cover sheet, no amended complaint has been filed.

From the court’s review of the file in this Adversary Proceeding, it does not appear that Plaintiff is prosecuting the claims asserted. The deadline to file an amended complaint expired two weeks prior to the entry of the court’s Order to Show Cause.

At the hearing, **xxxxxxxxxxxxxx**.

The court shall issue a minute order substantially in the following form holding that:

Findings of Fact and Conclusions of Law are stated in the Civil Minutes for the hearing.

The Order to Show Cause having been presented to the court, and upon review of the pleadings, evidence, arguments of counsel, and good cause appearing,

IT IS ORDERED that the Order to Show Cause is **xxxxxxxxxxxxxx**.

6. [17-90494-E-7](#) **DALJEET MANN**
[17-9013](#)
CHOPRA, M.D. V. MANN

STATUS CONFERENCE RE:
COMPLAINT
8-28-17 [1]

Plaintiff's Atty: Pro Se
Defendant's Atty: unknown

Adv. Filed: 8/28/17
Answer: none

Nature of Action:
Recovery of money/property - fraudulent transfer
Dischargeability - false pretenses, false representation, larceny

The Status Conference is XXXXXXXXXXXXXXXXXXXXXX.
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Notes:
Set by order dated 9/27/17 to be heard in conjunction with Order to Show Cause

Request by Plaintiff to dismiss complaint docketed 10/12/17 [Dckt 14]